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Country Profile

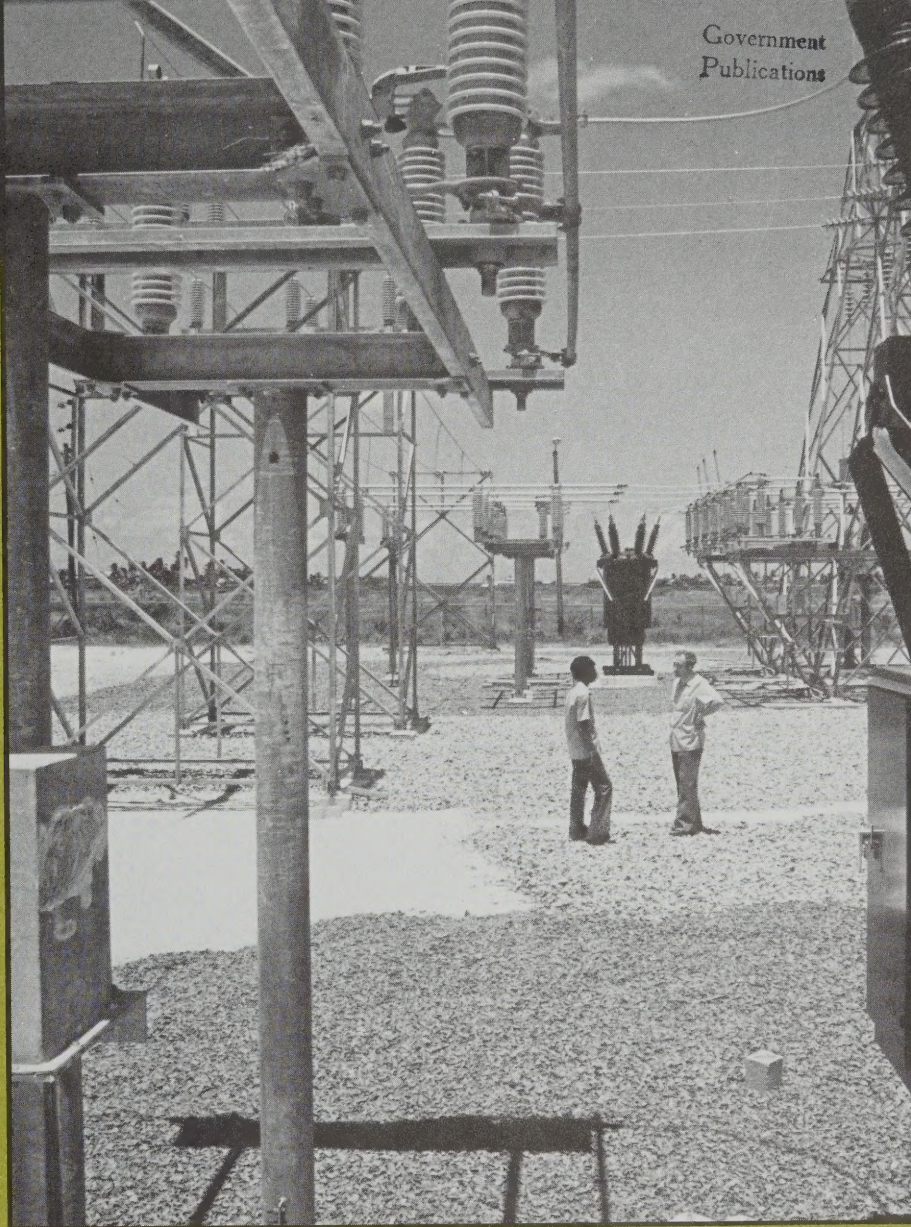
Guyana

Canada

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Government
Publications

Country Profile

Guyana

Canada



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COUNTRY PROFILE

Official name	Cooperative Republic of Guyana
Capital	Georgetown
Topography	Alluvial coastal belt, mountainous area with tropical forests, grassy savannah
Climate	Moderate to sub-tropical; high humidity, vulnerable to hurricanes
Principal crops	Sugar, rice, citrus fruits, coconuts, groundnuts, oil palms, vegetables
Resources	Mineral-bauxite, gold, diamonds, timber, fisheries, hydro
Official language	English
Other languages spoken	Hindustani, Hindi, Urdu, Portuguese, Chinese, Warrau, Arawak, Carib
Ethnic groups	East Indian, African, Chinese, Amerindian
Religions	Christianity, Hinduism, Islam
Date of independence	May 26, 1966

Comparative data

	<u>Guyana</u>	<u>Canada</u>
Area	214,970 km ²	9,976,000 km ²
Population (1983)	802,000	24.3 million
Population density	4 persons/km ²	2.4 persons/km ²
Urbanization	N.A.	75 %
Population growth rate (1970-1982)	2.0 %	1.2 %
Life expectancy at birth (1983)	69 years	76 years
Infant mortality rate	43/1000 live births	19/1000 live births
Daily per capita calorie supply as percentage of requirement (1982)	103 %	129 %

	<u>Guyana</u>	<u>Canada</u>
Adult literacy rate	92 %	99 %
Primary school enrolment		
Total	99 %	100 %
Percentage of labor force in		
agriculture	30 %	5 %
industry	45 %	29 %
services	25 %	66 %
% of population of under 15 (1983)	43.6 %	23.2 %
Gross national product per capita (1983)	\$670	\$12,310
GNP average annual growth rate (1970-1977)	.4 %	3.1 %
Average annual rate of inflation (1973-1983)	7.7 %	9.4 %
External public debt as % of GNP	126.5 %	1.35 %
Debt service as % of GNP	N.A.	4.96 %
Current account balance (US\$)	\$158.1 million	\$1,380 million
Principal exports	Bauxite, sugar, rice	
Principal imports	Petroleum, food, beverages and tobacco, chemicals	
Exports to Canada	Raw sugar, molasses, distilled alcoholic beverages, aluminum ores, concentrates and scrap	
Imports from Canada	Dairy produce, agricultural machinery, woodworking machinery, yarn	
Principal trading partners	U.S., U.K., Canada, Trinidad and Tobago	

COUNTRY PROGRAMS

Canada's program of development assistance to Guyana began as part of the Commonwealth Technical Assistance Program introduced in 1958. By 1964, separate allocations were being made to the various Commonwealth Caribbean countries, and development loan funds (rather than outright grants) were made available that year for the first time. From 1959-60 to the end of March 1985, Guyana has received \$53 million in Canadian bilateral aid disbursements. Annual disbursements remained at the \$2 to \$4 million mark throughout the 1970s, reaching a high of \$5.95 million in 1979-80. Over the last five years, disbursements have averaged \$2.96 million a year.

Bilateral assistance is provided under government-to-government agreements and makes up the bulk of Canada's official development assistance to Guyana. Canada also assists developing countries by supporting non-governmental and multilateral organizations which administer development projects. Details of these other forms of assistance are provided under the headings of Special Programs, Industrial Cooperation, and Multilateral Assistance.

BILATERAL PROGRAM

Historically, Canada's development assistance to Guyana began with a concentration on the development of physical infrastructure and education, identified as serious constraints to development by a 1966 Tripartite Survey of the Caribbean, performed by Britain, Canada and the United States. As time progressed, emphasis on education evolved into the transfer of skills to generate productive employment, and renewable resource development became an additional area of concentration. The focus of the program for about the past seven years has been on the productive sectors, in particular lines of credit for manufacturing, forestry and fishing and lending for development of infrastructure. Details of major projects are provided in the following descriptions of key sectors.

Forestry

Forests carpet 80 to 85 per cent of Guyana's land area. Timber resources are immense and there is a large variety of commercially exploitable tropical hardwoods, such as greenheart, mora, crabwood and wallaba, in addition to bulletwood, which supplies balata, a latex used in the manufacture of machine belting. However, the forest industry is grossly underdeveloped and falls far short of its potential, limited largely by difficulties of access and extraction. At present, there are some 80 sawmills in operation throughout the country.

In 1977, CIDA provided an \$8 million loan fund through the Guyana Agricultural Cooperative Development Bank to assist forestry producers to purchase logging, sawmilling and road-building equipment. Proceeds from the loan repayments were to be re-invested in the forestry sector for 15 years. A \$1.5 million contribution was also provided for technical assistance to the Guyana Forest Department and Guyana Timbers Limited, the country's largest forestry firm.

Currently, CIDA is providing an additional loan of \$6 million to the sector for the modernization of up to four sawmills to help Guyana increase its export earnings from the sale of sawn lumber. A \$1 million contribution is covering training and technical assistance in design and procurement.

Fisheries

Fishing is an important economic activity. Guyana is self-sufficient in fish for domestic use and also exports large quantities of shrimp. Fishing is carried on mainly from the shallow coastal waters using funnel nets, gill nets, beach seine, long line and trawl nets. There are two fishing stations for research and an institute for training fishermen.

In 1981, CIDA provided a \$2 million line of credit to assist artisanal fisheries cooperatives with the purchase of 600 outboard engines, spare parts, rope and twine. Currently, CIDA has a \$4 million project under way to provide the equipment and technical advice required for construction of berthing and storage facilities at seven centres for artisanal fisheries along the Guyanese coast.

Industry

As noted earlier, Guyana's manufacturing industry is based primarily on the processing of local agricultural produce, timber, bauxite and diamonds, but the sector has been badly affected by the lack of foreign exchange and the high cost of imports, resulting in input shortages.

In 1978 and 1980, CIDA approved two industrial development lines of credit for Guyana totalling \$6.5 million for the purchase of industrial inputs. Proceeds created 14 million Guyanese dollars in counterpart funds for further development in the agriculture and natural resource sectors, some of which was used in the Linden water project described below.

Energy

Guyana currently imports 90 per cent of its energy needs, which seriously exacerbates the economic crisis because of the substantial increase in oil prices since the early 1970s. The government has granted a number of contracts to foreign companies to engage in exploration for uranium and oil. Canada's Home Oil undertook an exploration program in 1979 but suspended it in 1982.

There is considerable hydroelectric potential and an 800 MW scheme was planned on the Mazaruni River, but territorial claims by Venezuela have put the project in doubt. The state-owned Guyana Electricity Corporation generates the bulk of public supply, but shortages of spare parts and other maintenance problems have led to increasingly frequent power cuts in recent years.

Under a CIDA project in the late 1970s, the Guyana Electricity Corporation was provided with \$5.15 million worth of Canadian equipment to help expand its distribution network, as part of a multi-donor project costing more than \$25 million.

Water Supply

Access to safe drinking water remains a priority for many developing countries and CIDA has been assisting Guyana with projects to provide improved water supply systems to its population. A project completed

recently was the design and construction of a system to expand the pure water supply of Linden, Guyana's second largest town. A CIDA loan of \$2.3 million was provided. In other areas of the country, water drilling rigs and auxilliary equipment were supplied under a \$1 million loan.

Agriculture

Besides the production of cash and food crops, livestock production (especially beef) has been receiving attention in Guyana with a view to expansion. The savanna regions are unsuitable for crop cultivation, but can be used successfully for the raising of livestock. Animal health is critical to the expansion of livestock production and the Pan-American Health Organization implemented a veterinary assistance program in the late 1970s. Canada's contribution to the project has been \$625,000 in grants and loans to help in the construction of a veterinary diagnostic laboratory.

Transportation

Canada has long been involved in providing assistance for transportation in the Caribbean region. Original grants to the region in 1958 were in support of an inter-island transportation system based on passenger-cargo ships. During the 1970s, CIDA undertook to expand and improve air transportation and airport facilities in Guyana through assistance in air traffic control, the supply of Twin Otter Aircraft, the country-wide establishment of 15 non-directional beacons and the installation of an Instrument Landing System at Timerhi International Airport. CIDA is currently involved in a \$75 million regional program to improve safety at 22 airports in 13 countries. The portion allotted to the Timerhi Airport in Georgetown is a \$7 million contribution for the provision of maintenance, fire-fighting and telecommunications and navigational equipment, training and technical assistance in those areas, and repairs to the runways.

Mission-Administered Funds

Canadian Embassies and High Commissions in developing countries respond to requests from local community groups in need of funds for small projects. In the case of Guyana, the maximum annual allowance for 1984-85 is \$350,000. Of the 15 projects approved in 1984-85, a significant number were spearheaded by women. Most of the emphasis was placed on vocational training and work with the handicapped. Examples include work with visually-impaired adults through the Guyana Society for the Blind and with handicapped children at clinics in Georgetown and regional centres, as well as training in the fields of engineering, nursing, aviation and personnel management. Provision of library materials for the University of Guyana and provision of a land cruiser, drugs, tools, milking machines and a mini-processing plant for milk production to the Caribbean Agricultural Research and Development Institute were also supported by this fund.

SPECIAL PROGRAMS

CIDA's Special Programs Branch contributes to development cooperation projects initiated by voluntary organizations and non-profit institutions cooperating with counterparts in developing countries. CIDA's collaboration began in 1968 specifically with non-governmental organizations (NGOs), and

has since expanded to include the diverse activities sponsored by many different types of groups. The Branch provides funds which match or enhance contributions in cash or in kind by the participants in Canada and in the developing country, so that the value of a project is often much greater than the CIDA funding amount suggests. Details of the types of organizations and projects receiving CIDA funding are provided in the following descriptions of Special Programs' various channels of assistance.

NGO Program

Canadian NGOs - religious groups, development agencies, service groups, women's organizations, youth associations - have established a reputation for effective low-cost development projects which respond quickly to "grassroots" needs and promote self-reliance.

Since 1968, CIDA has contributed \$537,776 to NGO activities in Guyana. In 1984-85, two NGO projects were approved for CIDA funding totalling about \$50,000: the Planned Parenthood Federation of Canada was providing assistance to upgrade and renovate an existing fruit and nut processing centre in Lethem, as well as providing a training program for women to provide new jobs and skills; and the Canadian UNICEF Committee received funding to help provide two incubators for a new neonatal unit in the Georgetown Hospital.

Institutional Cooperation and Development Services (ICDS) Program

Through this channel, which was created in 1980, CIDA supports joint ventures by institutions like universities, colleges, unions, cooperatives, and professional associations, as well as providing funds for volunteer-sending agencies.

For the period from 1980-81 to 1984-85, CIDA disbursements to ICDS activities in Guyana total \$606,879. In 1984-85, CIDA funding through ICDS reached \$153,809 for four projects in Guyana being executed by four institutions. The Canadian Labour Congress was assisting the Guyana Mine Workers Union to establish vegetable growing plots in the Linden area due to food shortages and transportation problems there.

The Canadian Nurses Association has been involved in a four-year program to assist CARICOM (the Caribbean Community which is based in Georgetown) and the Caribbean Regional Nursing Body to develop regional examinations for nursing qualification in the Caribbean. The University of Toronto is collaborating in areas of science and technology with the University of Guyana, with the specific aim of developing a self-sustaining school of natural products chemistry at the University of Guyana. Finally, the University of Alberta is working with the Nursery Education Unit of Guyana's Ministry of Education to improve instructional strategies used in elementary schools and to train teachers.

Through ICDS, CIDA also supports the efforts of volunteer-sending agencies like CUSO, and exchange agencies like Canada Crossroads International (CCI) that bring people together in cross-cultural experiences at the community level. There are currently six Canadians in Guyana under the CCI program.

Management for Change

The purpose of this small program is to stimulate and support innovative ways of strengthening the capability of developing countries to manage their resources productively and efficiently. Acting as a catalyst for short-term activities, it concentrates on practical problem-solving at the senior management level, and gives preference to regional rather than national initiatives. It also seeks to improve the management capacity of key development groups - such as women, and NGO and rural development managers - who often do not benefit from established training programs.

With the help of a contribution from CIDA, representatives from Guyana and from the CARICOM Secretariat based in Georgetown participated in a study tour of Eastern Canadian Fisheries establishments by CARICOM Permanent Secretaries.

BUSINESS COOPERATION PROGRAM

CIDA's Industrial Cooperation (INC) Program was created in 1978 to assist the Canadian private sector in its efforts to become involved in the industrial development of Third World countries. Through mechanisms like joint ventures or other long-term business collaboration arrangements, mutually beneficial projects involving such activities as technology transfer and job creation receive assistance from CIDA.

Canadian firms receive funding for starter studies and more in-depth viability studies, as well as pre-feasibility or project definition studies when preparing for participation in capital projects. Funding is also available for demonstration projects in developing countries when the projects involve proven Canadian technology and the transfer of the technology.

In recent years, INC has provided \$804,644 in grants for 5 projects in Guyana. There were two project definition studies in hydro-electric power, one starter study in solar energy, and technical input and project support in forestry.

MULTILATERAL ASSISTANCE

Multilateral assistance involves the pooling of resources by donor countries which are members of international organizations like the World Bank, the regional development banks, the various agencies of the United Nations and so on. These organizations then use the resources in support of development projects in Third World countries. Multilateral assistance from all donor countries and organizations comprised about 87 per cent of total net official development assistance to Guyana in 1984.

Canada's multilateral assistance is mainly channeled to Guyana through the Inter-American Development Bank (IDB), the World Bank affiliates known as the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), through the Caribbean Development Bank (CDB), UN agencies, the Commonwealth Fund for Technical Cooperation (CFTC), and the International Fund for Agricultural Development (IFAD).

For the five-year period from 1980 to 1984 inclusive, the IDB approved loans to Guyana totalling U.S. \$79.4 million. The largest portion was a U.S. \$40.7 million loan approved in 1984 for the Abary River Irrigation and Drainage Works. The project is designed to bring about 175,000 hectares of rice land into full production, thereby increasing rice exports and raising incomes of farmers in the region. Also of benefit to the agriculture sector was a U.S. \$20 million loan in 1981 to increase agricultural production in the wake of severe economic difficulties. In 1980, the IDB loaned U.S. \$12.7 million to Guyana Fisheries Limited to increase its fishing fleet and upgrade its processing facilities, and U.S. \$6 million to the Guyana Cooperative Agricultural and Industrial Development Bank for on-lending to public and private enterprises in the manufacturing sector. In addition to these larger loans, the IDB provides loans for smaller projects and grants for technical cooperation from its various special funds.

Canadian capital subscriptions to the IDB and contributions to its special loan funds have averaged \$25 million a year from 1980-81 to 1984-85.

The most recent lending to Guyana by the IBRD was a total of U.S. \$23.5 million for three projects approved in 1981. These involved U.S. \$8 million for studies of hydropower sites, U.S. \$14 million in structural adjustment assistance to restore balance-of-payments equilibrium, and U.S. \$1.5 million for technical assistance in export promotion.

IDA approved loans in 1981 (U.S. \$8 million towards the structural adjustment assistance), 1982 (U.S. \$2 million for compilation and analyses of geophysical data related to petroleum exploration), and 1985 (U.S. \$8.8 million to help complete the Upper Demerara Forestry project).

Canadian capital subscriptions to the IBRD have averaged \$39.75 million a year for the three years from 1982-83 to 1984-85. (There were no Canadian investments in IBRD in 1980-81 or 1981-82). Canadian advances to IDA have averaged \$160.48 million a year over the five years from 1980-81 to 1984-85.

In 1983, the CDB banned Guyana from further borrowing because it was in arrears by U.S. \$7.5 million in loan repayments. As of 1984, Guyana's ranking was still third behind Jamaica and Barbados in total loans disbursed by the CDB to countries in the region between 1970 and 1984. Guyana has benefitted from \$43 million in loans since 1970, or nine per cent of CDB lending. The main sectors receiving financing have been manufacturing, agriculture, fisheries and forestry, power and energy, and transportation and communications. The highlight of lending in recent years has been a U.S. \$5 million program loan from the Caribbean Development Facility, which is administered by the CDB on behalf of USAID and is designed to provide foreign exchange support to members experiencing balance-of-payments difficulties.

Canadian capital subscriptions to the CDB have averaged \$862,000 a year for the 1980-81 to 1983-84 period (there were no Canadian investments in the CDB in 1984-85); contributions to special funds were \$5.87 million in 1980-81, \$2.97 million in 1981-82, and \$6.07 million in 1984-85 (there were no advances to special funds in 1982-83 or 1983-84); Canadian grants to the CDB averaged \$212,000 a year from 1980-81 to 1983-84, and climbed to \$800,000 in 1984-85.

The largest organization in the UN development system is the United Nations Development Programme (UNDP). Canada's contributions to the UNDP's regular worldwide programs have averaged \$52.4 million a year for the five years from 1980-81 to 1984-85. During the 1982-86 UNDP planning cycle, UNDP spending in Guyana is expected to reach U.S. \$4.7 million, with the main priorities having been set for development planning, science and technology, natural resources, industry, and health. Among some of the UNDP's larger projects in Guyana are institutional support for the Department of International Economic Cooperation at the Ministry of Economic Planning and Finance; support for the Institute of Applied Science and Technology to assist the government's efforts to enhance indigenous research capabilities in the field of natural resources; and assistance with mineral resource exploration and extraction.

Other UN agencies for which Canada provides regular program funding and which are active in Guyana are the UN Children's Fund (UNICEF) and the UN Fund for Population Activities (UNFPA). Canada's annual contributions to UNICEF's and UNFPA's global programs have averaged \$11.99 million and \$9.13 million respectively from 1980-81 to 1984-85.

UNFPA's allocation for Guyana in 1984 was U.S. \$46,063. The Guyana Planned Parenthood Association provides family planning services as a health measure through Ministry of Health facilities.

In 1984, UNICEF spent U.S. \$65,341 on its program in Guyana. The emphasis in recent years has been on mother and child health care, including promotion of breast feeding, immunization, and the teaching of oral rehydration.

Canada is the largest contributor (\$14.6 million in 1984-85) to the Commonwealth Fund for Technical Cooperation (CFTC), which is the principal mechanism for technical assistance within the Commonwealth. It draws the majority of its experts from developing countries, and nearly all training is carried out in the Third World. In 1983-84, Guyana received assistance totalling U.S. \$680,966, 69 per cent of which was for technical assistance, mainly in financial management, agriculture, health and social services, and public administration. Assistance from the industrial and export development unit comprised another 22 per cent, while fellowships and training mainly in agriculture, education, and health and social services accounted for the remainder.

The International Fund for Agricultural Development (IFAD) is another multilateral organization that is involved in Guyana. It constitutes a major global financial and institutional response to the world food crisis. It mobilizes additional resources on concessional terms for the expansion and improvement of food production systems, with special emphasis on small farmers and landless laborers in developing countries. Canada has issued notes totalling \$42 million to IFAD over the 1980-81 to 1984-85 period. Since it began lending in 1978, IFAD has approved one loan for Guyana: U.S. \$10 million in 1978 for the Black Bush irrigation project.

Food Aid

Longer-term efforts to help Guyana achieve food self-sufficiency are complemented by more immediate measures to combat food shortages. Over the past four years, Canadian food aid has been supplied to Guyana through the

multilateral channel and through NGOs. The World Food Programme (WFP) is a UN institution associated with the Food and Agriculture Organization that supports feeding programs for nutritionally vulnerable groups and uses food aid in food-for-work projects to provide work and income for the unemployed. Since 1981, Canadian food aid in the form of skim milk powder, vegetable oil, pulses and flour having a total value of \$203,866 has been supplied to Guyana through the WFP.

Through a joint program with 14 Canadian NGOs (including Hope International Development Agency, formerly known as Food for the Hungry, Canadian Lutheran World Relief, World Vision, and the Salvation Army), CIDA provides funds for shipment of skim milk powder and other foods to developing countries. Through this program, Guyana received 63 metric tons of skim milk powder with a total value of \$70,990 over the 1982 to 1985 period.

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